



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

**FACT SHEET FOR S.B. 1533**

environment; budget reconciliation; 2016-2017

Purpose

Makes statutory and session law changes relating to environment to reconcile the FY 2017 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and temporary law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless the emergency clause is enacted.

Provisions

***Arizona State Land Department***

1. Repeals sections of Laws 2015, Chapter 13 relating to the repeal of the Trust Land Management Fund and the reestablishment of the Trust Land Administration Fund.

***Arizona Department of Water Resources (ADWR)***

2. Continues to allow the Water Protection Fund Commission to grant up to \$336,000 of the unobligated balance in the Water Protection Fund to ADWR for administrative costs in FY 2017.
3. Continues to allow the Director of ADWR to increase fees in FY 2017, not to exceed \$100,200 and requires monies collected be deposited in the Water Resources Fund.
4. Exempts ADWR from the rulemaking requirements for the purpose of establishing the fees until July 1, 2017.

***Arizona State Parks Board (ASPB)***

5. Continues to allow ASPB to spend up to \$692,100 from their portion of the Off-Highway Vehicle Recreation Fund for ASPB operating expenses in FY 2017.

*Arizona Department of Environmental Quality (ADEQ)*

6. Requires the State Treasurer, on notice from the Director of ADEQ, to invest and divest monies in the Underground Storage Tank (UST) Revolving Fund and credit monies earned from investment to the UST Revolving Fund.
7. Suspends the statutory uses of UST Revolving Fund monies, and allows ADEQ to transfer up to \$6,531,000 from the UST Revolving Fund for administrative costs in FY 2017.
8. Limits the state General Fund appropriation to the Water Quality Assurance Revolving Fund at \$2,823,600 in FY 2017.
9. Appropriates the following to the Water Quality Assurance Revolving Fund in FY 2017:
  - a) \$4,250,000 from the Emissions Inspection Fund; and
  - b) \$2,875,000 from the Air Quality Fund.
10. Stipulates that it is the intent of the Legislature that the fund balances in the Emissions Inspection Fund and the Air Quality Fund be evaluated to determine whether there are sufficient monies available to continue to use these fund sources for the Water Quality Assurance Revolving Fund in FY 2018.
11. Continues to allow ADEQ to use up to \$1,800,000 from the Emissions Inspection Fund for the Safe Drinking Water Program.
12. Requires the Director of ADEQ to decrease vehicle emissions testing fees by \$3.00 per test conducted in Area A in FY 2017.
13. Exempts ADEQ from the rulemaking requirements for the purpose of establishing vehicle emissions testing fees until July 1, 2017.

*Arizona Navigable Stream Adjudication Commission (ANSAC)*

14. Allows monies appropriated to ANSAC from the Arizona Water Banking Fund to be used to pay legal fees in FY 2017.

*Distributed Energy Generation Systems*

15. Requires an applicant to follow the utility's effective interconnection requirements before interconnecting the distributed energy generation system, instead of the standards established by the Arizona Corporation Commission.
16. Specifies that a person seeking to install, energize or interconnect a distributed energy generation system must first submit a complete application to the utility that owns or operates the grid at the point of interconnection.

*Miscellaneous*

17. Makes technical changes.

18. Becomes effective on the general effective date.

Prepared by Senate Research

April 27, 2016

BL/ljs